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Volume 5

MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
April 1961

MAY 21 1961

Number 9

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-CSS  
Federal Order No. 100, 3756 Ringgold Road, Chattanooga II, Tennessee  
J. B. McCroskey, Market Administrator

MARKET SUMMARY-APRIL 1961

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$4.78, Excess Milk \$3.15. The butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During April 68.1% of producer milk was priced in Class I at \$5.26 per cwt. with a butterfat differential of 7.9 cents and 31.9% was priced in Class II at \$3.19 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 68.6% and 57.2% respectively. Base milk was 86.7% and excess milk was 13.3% of the total producer deliveries. All excess milk and 21.4% base milk was priced in Class II and 78.6% of base milk was priced in Class I.

The daily average deliveries of producer milk during April increased 6.3% compared with March and increased 12.8% compared with April 1960. The daily average use of Class I milk decreased 3.7% compared with March and decreased 5.1% compared with April 1960. The daily average base delivered was 96.4% of the established base. The 15 million pounds producer milk delivered during April represents a daily average of 737 pounds or 86 gallons per farm.

MILK SAMPLES TESTED - Producer Fresh Samples 5,870 - Handler Finished Products 273.

NUMBER OF FARM PAYROLL ACCOUNTS

|       | 1960 |     |     |     |     |     | 1961 |     |     |     |     |     |     |
|-------|------|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|
|       | Apr  | May | Jun | Jul | Aug | Sep | Oct  | Nov | Dec | Jan | Feb | Mar | Apr |
| New   | 3    | 0   | 2   | 3   | 17  | 22  | 6    | 4   | 2   | 2   | 1   | 2   | 3   |
| Quit  | 2    | 5   | 4   | 8   | 7   | 15  | 11   | 7   | 8   | 13  | 3   | 3   | 3   |
| Total | 702  | 697 | 695 | 690 | 700 | 707 | 702  | 699 | 693 | 682 | 680 | 679 | 679 |

APRIL 1961 TOTAL CLASS I UNIT SALES BY 15 POOL AND 4 NON-POOL PLANTS

|                                         | GALS.   | $\frac{1}{2}$ GALS. | QUARTS  | PINTS   | $\frac{1}{2}$ PINTS | PRODUCT LBS. 1/ |
|-----------------------------------------|---------|---------------------|---------|---------|---------------------|-----------------|
| Standard Milk                           | *       | *                   | 15,023  | -       | -                   | 104,295         |
| Homo Milk                               | 195,554 | 1,004,997           | 447,880 | 309,906 | 2,074,715           | 8,414,504       |
| Skim Milk                               | 2,871   | *                   | 120,880 | -       | *                   | 314,558         |
| Special Skim                            | 11,338  | *                   | -       | -       | -                   | 98,376          |
| Buttermilk                              | 8,202   | 149,912             | 181,585 | 17,449  | 16,024              | 1,132,937       |
| Flavored Milk                           | -       | *                   | 30,590  | 84,347  | 102,516             | 216,711         |
| Cream ( $\frac{1}{2}$ & $\frac{1}{2}$ ) | *       | -                   | 3,335   | 24,731  | *                   | 35,070          |
| Light Cream (X)                         | -       | -                   | 6,492   | -       | 1,779               | 14,566          |
| Heavy Cream (XX)                        | *       | -                   | 1,459   | -       | 31,082              | 19,951          |
| Sour Cream                              | *       | -                   | -       | *       | 11,807              | 8,291           |

\* Units omitted - Distributed by less than three handlers.

1/ Distribution out of the three-county marketing area was 29.9% of the above total packaged product pounds.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

|                                                   | <u>Apr. '61</u> | <u>Mar. '61</u> | <u>Apr. '60</u> |
|---------------------------------------------------|-----------------|-----------------|-----------------|
| Number of Plants (Pool and Non-Pool)              | 19              | 19              | 19              |
| GROSS RECEIPTS POUNDS (DAILY)                     |                 |                 |                 |
| Total Producer Milk                               | 500,199         | 470,370         | 443,554         |
| % April '61 compared with:                        | 100.0           | 106.3           | 112.8           |
| Other Source Milk                                 | 19,447          | 16,268          | 9,784           |
| Other Order Milk                                  | 4,929           | 4,596           | 4,658           |
| <u>TOTAL RECEIPTS MILK POUNDS</u>                 | <u>524,575</u>  | <u>491,234</u>  | <u>457,996</u>  |
| % April '61 compared with:                        | 100.0           | 106.8           | 114.5           |
| GROSS UTILIZATION POUNDS (DAILY)                  |                 |                 |                 |
| Class I Milk:                                     |                 |                 |                 |
| Fluid Milk                                        | 283,960         | 295,302         | 302,478         |
| Fluid Skim                                        | 13,764          | 13,368          | 10,102          |
| Buttermilk                                        | 37,765          | 38,448          | 41,549          |
| Chocolate Milk                                    | 7,224           | 7,685           | 8,125           |
| Fluid Creams                                      | 2,596           | 2,466           | 2,367           |
| Bulk to Non-Handlers                              | 134             | 86              | 469             |
| Class I Shrinkage                                 | 599             | 1,838           | 1,815           |
| Inventory Reclassification                        | (676)           | (694)           | (2,857)         |
| Overstated Sales                                  | (25)            | (49)            | -               |
| Total Class I Milk                                | <u>345,341</u>  | <u>358,450</u>  | <u>364,048</u>  |
| % April '61 compared with:                        | 100.0           | 96.3            | 94.9            |
| Class II Milk: (Used to Produce)                  |                 |                 |                 |
| Butter                                            | 13,148          | 10,599          | 2,826           |
| Cottage Cheese                                    | 16,326          | 18,559          | 16,538          |
| Powdered and Condensed Milk                       | 104,860         | 72,076          | 39,457          |
| Ice Cream                                         | 26,086          | 22,149          | 25,183          |
| Inventory Variation                               | 7,458           | (638)           | (289)           |
| Other                                             | 11,356          | 10,039          | 10,233          |
| Total Class II Milk                               | <u>179,234</u>  | <u>132,784</u>  | <u>93,948</u>   |
| % April '61 compared with:                        | 100.0           | 135.0           | 190.8           |
| <u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u> | <u>524,575</u>  | <u>491,234</u>  | <u>457,996</u>  |
| % Producer Milk of Gross Class I                  | 144.8           | 131.2           | 121.8           |
| % Delivered Base of Gross Class I                 | 125.6           | 118.7           | 108.0           |
| % Delivered Base Priced in Class I                | 78.6            | 83.2            | 91.4            |
| % Producer Milk Priced in Class I                 | 68.1            | 75.3            | 81.0            |

MAY 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

|                                                                         | <u>May '61</u> | <u>Apr. '61</u> | <u>May '60</u> |
|-------------------------------------------------------------------------|----------------|-----------------|----------------|
| Basic Formula (See page 4)                                              | \$3.61         | \$3.61          | \$3.39         |
| Plus Class I Differential                                               | 1.75           | 1.75            | 1.75           |
| Supply-Demand Adjustment                                                | (0.22)         | (0.10)          | 0.20           |
| Class I Price, 4.0% Butterfat                                           | \$5.14         | \$5.26          | \$5.34         |
| Per \$ 1000.51 (a)                                                      |                |                 |                |
| Supply-Demand Comparison: 1st and 2nd preceding months: March and April |                |                 |                |
| Supply: Lbs. Producer Milk (Mar. 14,581,487 and Apr. 15,005,967)        |                |                 | 29,587,454     |
| Demand: Lbs. Net Class I Milk (Mar. 10,995,400 and Apr. 10,251,327)     |                |                 | 21,246,727     |
| Utilization Percentage: Producer milk divided by Class I                |                |                 | 139            |
| Standard Utilization Percentage: Range 124-128                          |                |                 | 128            |
| Net Deviation Percentage: Utilization minus Standard Utilization        |                |                 | plus 11        |
| Supply-Demand Adjustment: 2 cents x 11 percentage points                |                |                 | minus \$0.22   |

Since the supply in relation to the demand is more than the desired standard, the price is decreased 22 cents per hundredweight (2 cents x 11 percentage points).



COMPUTATION OF UNIFORM PRODUCER PRICES FOR APRIL 1961  
Based on 19 plant reports prior to audit

|                                                 | Class<br>% | Milk<br>Pounds | Butterfat<br>Test % | Cwt. Price<br>@ Test | Value        |
|-------------------------------------------------|------------|----------------|---------------------|----------------------|--------------|
| Gross Class I                                   |            | 10,360,244     | 3.486               |                      |              |
| Less Other Source                               |            | 138,936        | 1.943               |                      |              |
| Producer Milk Class I                           | 68.1       | 10,221,308     | 3.506586            | \$4.870203           | \$497,798.45 |
| Gross Class II                                  |            | 5,376,996      | 5.322               |                      |              |
| Less Other Source                               |            | 592,337        | 3.066               |                      |              |
| Producer Milk Class II                          | 31.9       | 4,784,659      | 5.601235            | 4.310865             | 206,260.19   |
| TOTAL PROD.(Cl.I + Cl.II)                       | 100.0      | 15,005,967     | 4.174466            |                      | 704,058.64   |
| Add Fractional Adjustment                       |            |                |                     |                      | .04          |
| Add Compensatory Payment Value                  |            |                |                     |                      | 205.02       |
| Add Overage Value                               |            |                |                     |                      | 138.15       |
| Add Inventory Reclassification Value            |            |                |                     |                      | 344.79       |
| Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve |            |                |                     |                      | 6,289.11     |
| TOTAL VALUE AT TEST                             |            | 15,005,967     | 4.174466            |                      | 711,035.75   |
| Less Test Over 4% @ 7.6¢ per point              |            | 15,005,967     | .174466             | 0.132594             | 19,897.01    |
| TOTAL PRODUCER MILK VALUE AT 4% TEST            |            | 15,005,967     | 4.0                 |                      | 691,138.74   |
|                                                 |            | Pounds         | Price 4%            | Amount               |              |
| Excess Producer Milk - Class I                  |            | -              | -                   | -                    |              |
| Excess Producer Milk - Class II                 |            | 1,998,167      | \$3.19              | \$63,741.53          |              |
| Total Excess Producer Milk                      |            | 1,998,167      | 3.19                | 63,741.53            |              |
| Less Prod.-Settlement Fund Res. @ 4¢            |            | 1,998,167      | .04                 |                      | 799.27       |
| UNIFORM EXCESS PRICE f.o.b. PLANT - 4%          |            | 1,998,167      | 3.15                |                      | 62,942.26    |
| Value of Base Milk (Total less Excess)          |            | 13,007,800     | 4.823238            |                      | 627,397.21   |
| Less Producer-Settlement Fund Reserve           |            | 13,007,800     | .043238             |                      | 5,624.31     |
| UNIFORM BASE PRICE f.o.b. PLANT - 4%            |            | 13,007,800     | \$4.78              |                      | \$621,772.90 |

APRIL 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT  
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

| TEST<br>% | PRICES |        | TEST<br>% | PRICES |        | TEST<br>% | PRICES |        |
|-----------|--------|--------|-----------|--------|--------|-----------|--------|--------|
|           | BASE   | EXCESS |           | BASE   | EXCESS |           | BASE   | EXCESS |
| 3.0%      | \$4.02 | \$2.39 | 4.0%      | \$4.78 | \$3.15 | 5.0%      | \$5.54 | \$3.91 |
| 3.05      | 4.058  | 2.428  | 4.05      | 4.818  | 3.188  | 5.05      | 5.578  | 3.948  |
| 3.1       | 4.096  | 2.466  | 4.1       | 4.856  | 3.226  | 5.1       | 5.616  | 3.986  |
| 3.15      | 4.134  | 2.504  | 4.15      | 4.894  | 3.264  | 5.15      | 5.654  | 4.024  |
| 3.2       | 4.172  | 2.542  | 4.2       | 4.932  | 3.302  | 5.2       | 5.692  | 4.062  |
| 3.25      | 4.21   | 2.58   | 4.25      | 4.97   | 3.34   | 5.25      | 5.73   | 4.10   |
| 3.3       | 4.248  | 2.618  | 4.3       | 5.008  | 3.378  | 5.3       | 5.768  | 4.138  |
| 3.35      | 4.286  | 2.656  | 4.35      | 5.046  | 3.416  | 5.35      | 5.806  | 4.176  |
| 3.4       | 4.324  | 2.694  | 4.4       | 5.084  | 3.454  | 5.4       | 5.844  | 4.214  |
| 3.45      | 4.362  | 2.732  | 4.45      | 5.122  | 3.492  | 5.45      | 5.882  | 4.252  |
| 3.5       | 4.40   | 2.77   | 4.5       | 5.16   | 3.53   | 5.5       | 5.92   | 4.29   |
| 3.55      | 4.438  | 2.808  | 4.55      | 5.198  | 3.568  | 5.55      | 5.958  | 4.328  |
| 3.6       | 4.476  | 2.846  | 4.6       | 5.236  | 3.606  | 5.6       | 5.996  | 4.366  |
| 3.65      | 4.514  | 2.884  | 4.65      | 5.274  | 3.644  | 5.65      | 6.034  | 4.404  |
| 3.7       | 4.552  | 2.922  | 4.7       | 5.312  | 3.682  | 5.7       | 6.072  | 4.442  |
| 3.75      | 4.59   | 2.96   | 4.75      | 5.35   | 3.72   | 5.75      | 6.11   | 4.48   |
| 3.8       | 4.628  | 2.998  | 4.8       | 5.388  | 3.758  | 5.8       | 6.148  | 4.518  |
| 3.85      | 4.666  | 3.036  | 4.85      | 5.426  | 3.796  | 5.85      | 6.186  | 4.556  |
| 3.9       | 4.704  | 3.074  | 4.9       | 5.464  | 3.834  | 5.9       | 6.224  | 4.594  |
| 3.95      | 4.742  | 3.112  | 4.95      | 5.502  | 3.872  | 5.95      | 6.262  | 4.632  |

## CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

| Month    | PRODUCER UNIFORM PRICES <sup>1/</sup> |        |        |         | HANDLER CLASS PRICES <sup>1/</sup> |         |          |         |
|----------|---------------------------------------|--------|--------|---------|------------------------------------|---------|----------|---------|
|          | Per Hundredweight                     |        |        |         | Class I                            |         | Class II |         |
|          | Uniform                               | Base   | Excess | Bf.Dif. | Cwt.                               | Bf.Dif. | Cwt.     | Bf.Dif. |
| Apr. '60 | \$4.93 <sup>2/</sup>                  | \$5.18 | \$3.05 | 7.2¢    | \$5.40                             | 7.5¢    | \$3.09   | 6.7¢    |
| May      | 4.73 <sup>2/</sup>                    | 4.96   | 3.02   | 7.2     | 5.34                               | 7.5     | 3.06     | 6.7     |
| June     | 4.83 <sup>2/</sup>                    | 4.98   | 3.02   | 7.2     | 5.23                               | 7.5     | 3.06     | 6.7     |
| July     | 4.84 <sup>2/</sup>                    | 5.03   | 3.02   | 7.2     | 5.25                               | 7.5     | 3.06     | 6.7     |
| Aug.     | 4.83                                  | -      | -      | 7.4     | 5.26                               | 7.5     | 3.09     | 6.8     |
| Sept.    | 4.84                                  | -      | -      | 7.6     | 5.14                               | 7.7     | 3.50     | 7.0     |
| Oct.     | 4.74                                  | -      | -      | 7.6     | 5.19                               | 8.0     | 3.52     | 7.0     |
| Nov.     | 4.85                                  | -      | -      | 7.6     | 5.30                               | 7.9     | 3.55     | 7.1     |
| Dec.     | 4.84                                  | -      | -      | 7.6     | 5.29                               | 8.0     | 3.50     | 7.0     |
| Jan. '61 | 4.96                                  | -      | -      | 7.6     | 5.43                               | 7.9     | 3.50     | 7.0     |
| Feb.     | 4.96                                  | -      | -      | 7.6     | 5.43                               | 7.9     | 3.21     | 7.0     |
| Mar.     | 4.73 <sup>2/</sup>                    | 4.89   | 3.17   | 7.6     | 5.29                               | 7.9     | 3.21     | 7.0     |
| Apr.     | 4.56 <sup>2/</sup>                    | 4.78   | 3.15   | 7.6     | 5.26                               | 7.9     | 3.19     | 7.0     |
| May      | -                                     | -      | -      | -       | 5.14                               | 7.9     | -        | -       |

## PRICES USED IN DETERMINING CLASS PRICES

| Month    | AVERAGE QUOTATIONS |                    |                      |                 | ALTERNATIVE FORMULAS<br>(\$-cwt-4%) |        |                      |      | Highest<br>or Basic<br>Formula<br>\$-cwt-4% |
|----------|--------------------|--------------------|----------------------|-----------------|-------------------------------------|--------|----------------------|------|---------------------------------------------|
|          | Mid-West<br>Cond.  | Chi. 92°<br>Butter | Chi. Area<br>Powders | Wisc.<br>Cheese | Mid-West<br>Cond.                   | Butter | 4 Tenn.<br>Milk Mfg. |      |                                             |
|          | \$-cwt-3.5%        | ¢ Lb.              | ¢ Lb.                | ¢ Lb.           |                                     |        |                      |      |                                             |
| Apr. '60 | 3.032              | 57.974             | 12.975               | 32.350          | 3.39                                | 3.16   | 3.35                 | 3.09 | 3.39                                        |
| May      | 2.998              | 57.944             | 12.800               | 32.000          | 3.36                                | 3.15   | 3.34                 | 3.06 | 3.36                                        |
| June     | 3.000              | 57.974             | 12.755               | 32.000          | 3.36                                | 3.15   | 3.35                 | 3.06 | 3.36                                        |
| July     | 3.014              | 57.988             | 12.710               | 32.000          | 3.37                                | 3.16   | 3.35                 | 3.06 | 3.37                                        |
| Aug.     | 3.076              | 59.041             | 12.720               | 33.062          | 3.45                                | 3.22   | 3.40                 | 3.09 | 3.45                                        |
| Sept.    | 3.202              | 61.280             | 12.780               | 36.600          | 3.58                                | 3.38   | 3.50                 | 3.23 | 3.58                                        |
| Oct.     | 3.311              | 60.773             | 13.085               | 37.750          | 3.69                                | 3.38   | 3.52                 | 3.25 | 3.69                                        |
| Nov.     | 3.402              | 61.470             | 13.150               | 37.750          | 3.78                                | 3.41   | 3.55                 | 3.25 | 3.78                                        |
| Dec.     | 3.440              | 60.491             | 13.130               | 37.750          | 3.82                                | 3.37   | 3.50                 | 3.25 | 3.82                                        |
| Jan. '61 | 3.415              | 60.466             | 13.190               | 36.750          | 3.80                                | 3.35   | 3.50                 | 3.25 | 3.80                                        |
| Feb.     | 3.240              | 60.460             | 13.180               | 33.938          | 3.62                                | 3.30   | 3.50                 | 3.21 | 3.62                                        |
| Mar.     | 3.228              | 60.466             | 13.120               | 34.700          | 3.61                                | 3.31   | 3.50                 | 3.21 | 3.61                                        |
| Apr.     | 3.230              | 60.466             | 14.325               | 34.625          | 3.61                                | 3.31   | 3.58                 | 3.19 | 3.61                                        |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

| Month    | GROSS MILK POUNDS 3/ |         |         |         |         | Number |       | Deliveries Per |      |      | Prod. |
|----------|----------------------|---------|---------|---------|---------|--------|-------|----------------|------|------|-------|
|          | Gross                | Prod.   | Prod.   | Base    | Gross   | of     |       | Farm--Pounds   |      |      | Milk  |
|          | Cl.I                 | Cl.I    | Repts.  | Repts.  | Repts.  | Hdlr.  | Prod. | Prod.          | Base | Exc. | Test% |
| Apr. '60 | 364,048              | 359,098 | 443,554 | 393,065 | 457,996 | 19     | 702   | 632            | 560  | 72   | 4.19  |
| May      | 336,344              | 331,632 | 444,101 | 390,950 | 461,097 | 19     | 697   | 637            | 561  | 76   | 4.16  |
| June     | 327,515              | 322,519 | 390,059 | 360,248 | 406,662 | 19     | 695   | 561            | 518  | 43   | 4.11  |
| July     | 327,075              | 322,754 | 391,646 | 354,554 | 408,644 | 19     | 690   | 568            | 514  | 54   | 4.06  |
| Aug.     | 336,437              | 331,519 | 406,758 | -       | 425,433 | 19     | 700   | 581            | -    | -    | 4.07  |
| Sept.    | 384,465              | 379,222 | 453,829 | -       | 465,087 | 18     | 707   | 642            | -    | -    | 4.12  |
| Oct.     | 357,470              | 352,238 | 461,276 | -       | 475,398 | 18     | 702   | 657            | -    | -    | 4.32  |
| Nov.     | 357,816              | 350,520 | 456,896 | -       | 473,586 | 18     | 699   | 654            | -    | -    | 4.41  |
| Dec.     | 348,283              | 341,170 | 441,649 | -       | 462,660 | 19     | 693   | 637            | -    | -    | 4.47  |
| Jan. '61 | 350,656              | 344,899 | 438,453 | -       | 453,505 | 19     | 682   | 643            | -    | -    | 4.46  |
| Feb.     | 360,128              | 354,274 | 441,259 | -       | 459,046 | 19     | 680   | 649            | -    | -    | 4.32  |
| Mar.     | 358,450              | 353,996 | 470,370 | 425,350 | 491,234 | 19     | 679   | 693            | 626  | 67   | 4.22  |
| Apr.     | 345,341              | 340,710 | 500,199 | 433,593 | 524,575 | 19     | 679   | 737            | 639  | 98   | 4.17  |

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For statistics only<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I;  
Excess is Producer minus Base